

October 21, 2013

EXECUTIVE SESSION

The Board of Aldermen, City of Kearney, Missouri, met in **executive session** at Kearney City Hall, 100 East Washington, October 21, 2013 at 6:30 P.M. with Mayor Dane presiding, for the purposes of discussing real estate matters, after a duly made motion and roll call taken in regular session minutes.

Members present were Jeff Couchman, Gerri Spencer, Dan Holt and Tom Patterson. Staff members present were Jim Eldridge. Lee Meyer and Jenny Hayes of the Kearney Enrichment Council were invited to meet with the Board.

Old Church Building, 105 South Jefferson Lee Meyer, president of the Kearney Enrichment Council (KEC), stated they his group have recognized a need for expansion to accommodate their growing programs in the coming years. The KEC is a 501C3 Corporation currently leasing the Fire House Center for Creative Excellence at 106 South Jefferson from the City. He asked the City to help them purchase the building across the street at 105 South Jefferson.

They have negotiated a price of \$115,000 as a purchase price with a Common Area Maintenance payment of \$5,000 due after the first year. The price would include the Old Methodist Church building including the kitchen but not the newer addition—only the footprint of the building—no additional land would be included. The owner, David Levaton, suggested the City Attorney draft the contract.

Lee noted the KEC would find ways to contribute by restoring and remodeling the building, much the same way they had done at the former Police Station at 106 South Jefferson. Thee would be doing fund raising, grant writing, in-kind donations to renovate the property which was estimated to be \$50 to \$100,000.

He proposed the City purchase the building and lease it back to the Kearney Enrichment Council.

Alderman Holt asked exactly what will KEC do with the building. Jenny Hayes stated the building would be used for arts gallery and event space. She noted Kevin Cozad had ideas about making it a digital arts base. Alderman Holt pointed out that parking limitations could hamper the building being used for large gatherings.

Lee Meyer and Jenny Hayes were excused from the meeting. Mayor Dane asked the Board members their thoughts about the proposal.

Again, Dan Holt reiterated the parking issue. Jeff Couchman said he doesn't have enough financial detail to the plan—a business plan is needed. Tom Patterson said his concerns are similar to Alderman Couchman—he like to see the detail and understand the \$350,000 annual budget that was mentioned in the open session report—will the City own forever. Gerri Spencer was concerned the building would need far more renovations than estimated, and echoed the parking limitations.

The City Administrator was asked to seek a business plan from the KEC.

Former Clay County Auto Parts Store, 103 East Washington Street Jim Eldridge reported Dr. William Reed has offered to sell his building to the City, but would not give a selling price—he wanted the City to offer him a price. Dr. Reed was told the City was not in a position to pay full price for the building, as the only purpose it might serve would be to expand the adjacent City Museum into the space—and the City provided very little funding to the museum. Dr. Reed was asked if he might consider basing the sale on an appraisal, whereby the City paid substantially less than the market value, and he donate the balance of the purchase price for a tax deduction. Dr. Reed said he might be able to sell such a proposal to his family. Jim said the tax assessor has a market value of approx. \$57,000 on the building and suggested the City might offer \$35,000 and Dr. Reed donate the balance of the value of the building.

It was asked how much the A-1 Performance Wheel storefront was sold to Corby King. Jim will find out.

A motion was made by Alderman Couchman and seconded by Alderwoman Spencer to authorize the City Administrator to prepare an offer not to exceed \$35,000, based on the proposal that Dr. Reed donate the balance of the purchase price to the City. Voting Yea: Couchman, Spencer, Holt, Patterson. Motion carried by a 4 to 0.

No other business appearing, meeting adjourned.

APPROVED: _____ ATTEST: _____
Billy R. Dane, Mayor Jim Eldridge, City Clerk